[THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA) in the Chair.]

THE REFUGEE RELIEF TAXES (ABOLITION) REPEAL BILL, 2002

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): Sir, I beg to move :

"that the Bill to repeal the Refugee Relief Taxes (Abolition) Act, 1973, as passed by Lok Sabha, be taken into consideration."

The question was put and the motion was adopted.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Now, we shall take up the clause-by-clause consideration of the Bill.

Clause 2 was added to the Bill.
Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI GINGEE N. RAMACHANDRAN: Sir, I beg to move:

"That the Bill be passed."

The question was put and the motion was adopted.

THE OFFSHORE AREAS MINERAL (DEVELOPMENT AND REGULATION) BILL, 2002.

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES AND MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI RAVI SHANKAR PRASAD): Sir, I move:

"That the Bill to provide for development and regulation of mineral resources in the territorial waters, continental shelf, exclusive economic zone and other maritime zones of India and to provide for matters connected therewith or incidental thereto, as passed by Lok Sabha, be taken into consideration."

Sir, this Bill, after being passed by the Lok Sabha, is for the consideration of this august House. This Bill is futuristic in nature with a view to regulating the mineral resources which are lying there in the exclusive economic zone and the continental shelf pertaining to the other coastal areas.

Under Article 297 of the Constitution, the power to legislate this Bill vests in the Government of India. Sir, I read Article 297. It says:

> "All lands, minerals and other things of value underlying the ocean within the territorial waters, or the continental shelf, or the exclusive economic zone, of India shall vest in the Union and be held for the purposes of the Union."

Sir, the definition between the exclusive economic zone, territorial waters and continental shelf is well-known. Just for the reminder of the hon. Members, territorial waters does not exceed 12 nautical miles; continuous zone exceeding 24 nautical miles where we have complete sovereignty over these waters, whereas in the exclusive economic zone not exceeding beyond 200 nautical miles, here also, a right of exploration and exploitation vests with the Government.

As I said, this Bill is futuristic in nature. It is the result of wide level of consultations which have taken place over the years. Just for the reference of the hon. Members, may I indicate that way back on 20.5.1993, we set up a working group in the Ministry of Mines for draft of this legislation. Thereafter, on 29.6.1995, India ratified the Law of Seas Convention. Thereafter we set up a working group. For full six years we undertook very extensive consultations with all the departments, including the Ministry of Defence, Environment and Forests, External Affairs, Petroleum and Natural Gas, Commerce and Industry, Ocean Development, Atomic Energy, Animal Husbandry, Science and Technology and the Legal Affairs Department. Now, this Bill is here. We have taken sufficient safeguards to protect the environment; and to protect the national security. There is a provision for premature termination. There is a provision for closure; there is a provision for heavy penalty. All the mechanisms are there to ensure that the vast mineral resources available in the coastal waters of India are properly exploited.

This Bill, having been passed by the Lok Sabha, is today before the Rajya Sabha. I commend the Bill for consideration of the House.

SHRI PRITHVIRAJ CHAVAN (Maharashtra): Sir, the Offshore Areas Mineral (Development and Regulation) Bill, 2002, which the Government has brought before the House, is a welcome enactment. It has been approved by the other House. I think this House will support it whole-heartedly.

Sir, we are entering uncharted areas. A lot of mineral wealth is lying buried in the seas and it needs to be explored and economic benefits obtained for the country.

This area is being thrown open to the private sector. Untill now the Government of India agencies like the Geological Survey of India and other agencies had been exploring, making reconnaissance and were trying to chart the possibility of various minerals lying underground. This, Bill, of course, does not deal with oil and hydro-carbon sector. That is entirely out of the purview of this Bill. This Bill will only deal with inorganic minerals. Many of them are very crucial minerals dealing with atomic energy, rare earth elements and heavy elements. If proper investment is made, then certainly benefits are there. We are already mining certain minerals lying within the sea.

It is a well-established fact that rich mineral resources lie beneath the sea. While we want investment in this area - and that is why this Bill is being enacted to invite the private sector to come in - the question is, will it come, because the returns are unpredictable. There may be a lot of investment required, and returns, one is not sure of. Therefore, what needs to be done is, a regime has to be established where the private sector gets an absolutely clear direction, where there is no confusion, where there are not too many authorities required to be consulted, permissions to be sought from various people, making the person run from pillar to post, as was evident in the pre-liberalisation area. When industrial licensing was on, it was very difficult to secure a licence. Today, we are permitting the private sector to come into this area, but, I am afraid, we are again making a mistake, as we did during the course of the last few years after the new Economic Policy was ushered in 1991. That mistake is that we are not setting up a regulatory authority. First we must set up a regulatory authority to assure a level-playing ground to all the private sector participants. That regulatory authority should be statutory, should be independent and should

be transparent. If we do not set up a regulatory authority, without setting up such an authority, if you open up areas to the private sector, there will be problems, as we saw in the telecom sector, when we opened up the telecom sector, without setting up a regulatory authority. Therefore, I would urge the Government to start working on - of course, I am not saying that you bring any amendment today - creating an independent regulator. We have some agencies to whom the private sector entrepreneurs will have to report, in Nagpur and other places. But then, it is full of administrative control by the Government Ministry. We know what happens when you go to seek economic approvals from Government Departments and Government Ministries. The experience has not been very happy at all. It leads to corruption, it leads to favouritism, it leads to a nexus between particular industrial houses or companies and some Government officials. That had been a very bad experience in the telecom sector when we, without having a proper regulatory authority, opened up the telecom sector, and the Ministers started dictating as to whom the order should be given. We had a major telecom scam because of such a situation. We have to learn a lot. The point is, whether people will come in or not for reconnaissance, then exploration and then, finally, production. Many people may not come because it is an uncertain area. But they would come if they get an assurance that there is a very impartial, independent, regulator being established, which will guarantee a level-playing field for all the private sector participants. Unless we do that, we would be again going back to the licence permit raj, and a private sector coming in without a level-playing field or without a chance of discrimination, partial decision-making, this could be an area which is fraught with danger. I, therefore, suggest, Sir, that since it is a new area, a strategically important area, that, going against the current trend of disinvestment, of getting out of economic activity, the Government may consider starting a special company, a special unit, a special public sector undertaking, with private sector participation, maybe, up to 49 per cent, or even some joint venture collaboration with an established foreign company, but under the control of Government of India, to start exploring the seabed and finding out what the difficulties are.

The expert group, which went into it, really considered all the aspects. But, who is going to take the lead? You are not allowing the foreign companies to come in, and there is not enough expertise within the country to do offshore mining, and therefore, maybe, the Government needs to take a lead. The Government has also defined the rates of royalty, licence fee and all that, and this could be changed upwards or downwards or

negotiated. That authority is there. But, my worry is, you have got a lot of restrictions on people who take licences or permits or leases to report what they find. This reporting is very crucial. Unless proper information linkages are built up with the regulator, people may not report correctly to the Government of India. They could find some precious metals and they may not report. They could find some atomic minerals, which are very expensive, and they may not report correctly or under-report. There are some heavy earth metals, which are also very rare, and very expensive. They may not report about their recovery. What kind of penalties do you have? Is there going to be a system of penalties if people do not report properly? Are you going to cancel their licences and permits? Then, it is also a question of the role of the States. While the entire mining activity is under the Central Government, but certain royalty-sharing arrangements have to be put in place, where the State Governments also derive a part of royalty after the area starts producing. I think, due attention needs to be given to that also.

Sir, the next point I want to mention is, if somebody misuses the terms of the licence, terms of the lease, terms of the production lease you have not prescribed any penalties. All you can do is, perhaps, you can cancel the licence. But, that process will be very difficult. Is there any appeal against that procedure or is it going to be an arbitrary decision of the Central Government just to cancel the lease? And then what happens to the investment that has already been made by the private sector company? If there is a bad experience with one person, then others will get scared away. You know that we had a bad experience in the fast track power projects. When the power projects started getting bad, nobody is now coming in India's power sector. So, while you open up the area for the private sector participation, eventually, maybe, you would also consider opening it for the foreign companies, even though, it is not being done today. When you open up, the experience of private participants has to be good. You have to assure them that there will be a perfectly impartial adjudication of disputes between the Government and private parties, and this cannot happen unless you design a different kind of structure, different kind of a regulator and the regulating authority.

Sir, the area of national security is also very crucial. When permission is given to people to explore or to be present in certain blocks that you will be giving off, you will be giving exploration licence too, and it has a deep security implication also, and therefore, the Defence authorities will also come in the picture, while giving the licences or giving the blocks.

Some of our areas are used for testing missiles. For example, the Chandipur Range is used for testing missiles by the Ordnance people. Those areas are to be kept out of the areas intended to be leased out. It is better to evacuate people from such areas because of security reasons. Such things will have to be defined clearly in the rules. Our experience is that you come out with the legislation, but the rules take such a long time that nobody really starts doing anything about it, and we need investment in this area urgently. One of the worries that I have is that in the hydrocarbon sector, which is not covered by this legislation, but by some other legislation, people are digging in the offshore areas. Oil is being searched, gas is being searched. Now, when you dig for oil, the earth is taken out and you could get some minerals. The petroleum companies, who are exploring for oil, would also be digging the same earth, and they could also find some minerals in it. What is the mechanism provided for those companies, which are not covered by this enactment? Because, they are coming under some other policy, the Petroleum Ministry's policy. They are exploring oil and hydrocarbons. Now, if they find some minerals which are covered by this Act, then, they are not your licensees, they are not under lease with you, or under this enactment; they are not even seeking any reconnaissance permit, whatever. What happens to them? Because they are digging and they could find some atomic energy minerals or precious minerals, and whom do they report to? As they are not taking any of the licences under this enactment.

I think some rules will have to be clarified, whether people who are coming under the new Oil Exploration Policy, if they find out any minerals which are covered by this enactment, will automatically report, and all the requirements of this legislation will automatically become applicable to them. I do not know whether an amendment of the Petroleum Exploration Policy is required; rules can take care of this; that is also another area to be looked into. Otherwise, people who are looking for oil, people who are exploring for oil and gas, petroleum products, could get an advantage. Without paying any royalty to you under this enactment, they could start exploring for minerals. And if they find a mineral, then only they can apply for permit and take advantage. This needs to be clarified. Overall, Sir, this is a good enactment. But I very strongly urge the Government to start creating an independent regulator, a regulator who would be statutorily established, who would be independent, who would be transparent, and who would have an appeal mechanism built-in within a separate agency; Government department will not come into the picture, because whenever a Government department has tried to be a regulator, has tried to be a licensee, there

have been problems, as is evident in so many sectors. So, Sir, I again welcome this enactment and support the Bill, and I hope, the Government will continue to attract investment in this area, first Indian investment, and later on, even foreign investment, because it will not be a huge investment. It is not going to be possible for Indian companies to come into this area, because, as I said in the beginning, it is an area which is not known, we are going into uncharted waters. I hope Government could also consider setting up a Government company to take a lead. With these words, I support the Bill and conclude. Thank you.

प्रो. रामबक्षा सिंह वर्मा (उत्तर प्रदेश) : धन्यवाद उपसभाध्यक्ष जी। उपसभाध्यक्ष महोदय, अपतट क्षेत्र खनिज (विकास और विनियमन) विधेयक, 2002 निम्न सदन मे पारित होने के बाद इस माननीय सदन में विचार के लिए लाया गया है। मैं यह समझता हूं कि इस विधेयक के संबंध में दूसरे सदन में और इस माननीय सदन मे सर्वसम्मति है। इस विधेयक मे कोई ऐसा कंट्रोवरसियल प्रावधान नही है जिसके संबंध मे उस सदन में किसी माननीय सदस्य ने कोई बात कही हो। मैं इस शानदार विधेयक के संबंध में अपनी कुछ बातें रखना चाहता हूं।

उपसभाध्यक्ष महोदय, मानव सभ्यता ने क्रांतिकारी तरक्की की है। उसने मानव के उपभोग मे आने वाली सामग्री, जिन वस्तुओ की, जिन पदार्थों की आवश्यकता है, भूमितल पर पाई जाने वाली उन चीजों की खोज की है, उपयोगी पदार्थों मे उन्हें ढाला है। लगता है कि मानव की जो आवश्यकता है वह भूमितल पर पाये जाने वाले पदार्थों से पूरी नही हो पा रही है। इसलिए अब से लगभग 20 वर्ष पहले संयुक्त राष्ट्र संघ ने इस तरह का प्रस्ताव पारित किया, एक इस तरह का कानून बनाया जिसके अंदर अपतट क्षेत्र में भी विभिन्न देश अपने कानून बनाकर उनमे उपलब्ध पदार्थों के भूमिक्षण करने के लिए या उसकी खोज करने के लिए या उसका उत्खनन करने के लिए कानून और नियम बना सकते हैं और उसी के तहत यह विधेयक आज इस सदन मे आया है । इतने शानदार विधेयक के आने मे इतना समय लगा, यह थोड़ा दुख का कारण अवश्य है । संयुक्त राष्ट्र संघ मे 1982 मे प्रस्ताव पारित होने के बाद तब की सरकारो ने 11 वर्ष ले लिए, वर्किंग ग्रुप को कॉन्स्टीट्यूट करने मे और उसके बाद आठ वर्ष इस विधेयक के प्रारूप को बनाने मे लग गये । फिर भी कहा जा सकता है कि "देर आए दुरुस्त आए ।" भले ही 20 वर्ष का समय लगा हो लेकिन इस शानदार विधेयक के आने के बाद एक विश्वास जागा है कि हमारा देश, जिसमे लगभग 8041 किलोमीटर लम्बाई इस समुद्र तट की है और जहां संपूर्ण भूमि 33 लाख वर्ग किलोमीटर है, इस विधेयक के बाद 30 लाख वर्ग किलोमीटर अप तट क्षेत्र मे हमें खनन करने के लिए कानून और नियम उपलब्ध हो जाएंगे और इससे लगता है कि हमारी आर्थिक समृद्धि खनन के द्वारा जो हो सकती है, वह लगभग दुगुनी हो जाएगी । इसलिए मैं इस विधेयक का स्वागत करता हूं । मान्यवर, जैसा कि अभी हमारे माननीय सहयोगी कांग्रेस के श्री चव्हाण जी कह रहे थे कि इसके जो प्रावधान हैं, वह इस तरह के हैं कि उनके बारे में विशेष चर्चा करने की आवश्यकता नहीं है । इसमें देश की आवश्यकताओं को ध्यान में रखकर लगभग सारे प्रावधान किये गये हैं और ऐसा लगता है कि इसीलिए इसमें इतना समय लग गया । आठ वर्ष लग गये हैं और तमाम विद्वानों ने इसके ऊपर विचार किया है । तमाम संबंधित विभागों के अधिकारी इसमे थे, चाहे वह डिफेंस के रहे हो, चाहे जिओलॉजीकल सर्वे के रहे हो और चाहे अन्य विभागों के लोग रहे हो । इसमें जो विभिन्न शब्दों की डेफीनेशंस दी गयी हैं, वह भी बहुत

3.00 p.m.

सरल ढंग से बतायी गयी हैं और वह साधारणतया समझ में आने वाली हैं । इस विधेयक में खंड-पांच जो है, उसमें भूमिक्षण अर्थात सर्वे करने का अधिकार, खोज करने का अधिकार अर्थात ऐक्सप्लोरेशन और उसके बाद उत्पादन, उसका विधिक प्रावधान दिया गया है । इस विधि का अनुपालन करने के बाद कोई भी कम्पनी भूमिक्षण कर सकती है, ऐक्सप्लोरेशन कर सकती है और उत्पादन कर सकती है । अगर उन विधियों का, उन नियमों का अनुपालन नहीं हो तो उसके लिए प्रावधान हैं । एक लाख से लेकर एक करोड़ रुपये तक जुर्माना हो सकता है । अगर कोई गैर लाइसेंसधारी व्यक्ति है तो उसे पांच साल तक की सजा भी हो सकती है । इसमें राष्ट्रीय सुरक्षा का भी ध्यान रखा गया है, प्रावधान किया गया है । सरकार को जब जहां आवश्यकता हो, मिलिट्री ऑपरेशन के लिए उसे छूट है, नेवी के ऑपरेशन के लिए उसे छूट है । कोई इस प्रकार का प्रतिबंध नहीं है । इसमें इस तरह का भी प्रावधान है कि इसमें किसी विदेशी व्यक्ति की भागीदारी नहीं हो सकती है, उसे देश का नागरिक होना चाहिए और अगर किसी कम्पनी में कोई विदेशी नागरिक है तो उसके लिए भी सरकार से अनुज्ञा लेनी पड़ेगी और उसी के बाद वह ऑपरेशंस में भाग ले सकता है । सरकार ने यह भी प्रावधान किया है कि किसी भी क्षेत्र को, किसी भी ब्लॉक को रिजर्व रखा जा सकता है । अगर सरकार चाहे तो अपतट क्षेत्र में किसी भी ब्लॉक को रिजर्व रख सकती है और जो दिया गया ब्लॉक है, आवश्यकतानुसार उसका पट्टा भी कैंसिल किया जा सकता है । लाइसेंस को भी रद्द किया जा सकता है। यह भी प्रावधान है कि अनुज्ञा पत्र के बाद, लाइसेंस लेने के बाद अगर 6 महीने के अंदर उस पर काम प्रारंभ नहीं होता है तो अनुज्ञा पत्र कैंसिल किया जा सकता है। एक वर्ष के अंदर अगर एक्सप्लोरेशन का काम प्रारंभ नहीं होगा तो लाइसेंस रद्द किया जा सकता है। अगर दो वर्ष के अंदर उत्पादन प्रारम्भ नहीं होगा तो उत्पादन का पट्टा भी निरस्त किया जा सकता है। इस विधेयक के माध्यम से इन्टरनेशनल ओब्लीगेशन का भी ध्यान रखा गया है और दो सौ नोटिकल माइल्स के बियोन्ड कोई कंपनी अगर उत्पादन करती है तो उसे इन्टरनेशनल सी गैट अथोरिटी को अग्रिम भुगतान करना पड़ेगा । इस विधेयक में समुद्र में उत्पादन की गतिविधियो के अंतर्गत अगर कोई प्रदूषण उत्पन्न होता है तो प्रदूषण की रोकथाम का भी प्रावधान किया गया है। मान्यवर, संक्षेप में यह कहा जा सकता है कि यह विधेयक समय की आवश्यकता है। इस विधेयक के पारित होने के 6 महीने के बाद संभवत: इस दिशा में कार्य प्रारम्भ हो जाएगा। इसमें एडमिनिस्ट्रिंग अथोरिटी को पर्याप्त अधिकार दिया गया है। लगता है कि गैर विधिक कोई कार्यवाही नहीं हो पाएगी लेकिन फिर भी जब कानून बनेंगे, नियम बनेंगे और उन नियमों के बनने के बाद जब इस क्षेत्र में गतिविधियों प्रारम्भ होंगी तो उसके बाद ही ठीक से पता लग सकेगा कि आज जो विधेयक यहां प्रस्तुत किया गया है, जो बाद मे कानून बनेगा वह अपने आप मे सक्षम है या नहीं है। मैं समझता हूं कि आने वाले एक-दो वर्ष के बाद इसकी समीक्षा करने की आवश्यकता पड़ेगी लेकिन इस समय मुझे ऐसा प्रतीत होता है कि जो विधेयक प्रस्तुत किया गया है, गतिविधियों को कंट्रोल करने के लिए अपने आप में पर्याप्त है, सक्षम है। हमारे राष्ट्र की संप्रभुता को बरकरार रखने के लिए, उत्पन्न होने वाले प्रदूषण को भी नियंत्रण मे रखने के लिए यह विधेयक अपने आप में सक्षम प्रतीत होता है। इसलिए मैं इस विधेयक समर्थन करता हूं। आपने मुझे समय दिया इसके लिए धन्यवाद।

SHRI P. PRABHAKAR REDDY (Andhra Pradesh): Thank you, Mr. Vice-Chairman, for giving me this opportunity to participate in the observation of this Bill. I support this Bill. This is a very simple Bill, but yet very significant. Sir, India has about 3.3 lakh square kilometres of land, and it has a vast coastline of about 8041 kilometres. Very few countries are blessed with such a vast coastline. According to the UN Resolution, the Law of Seas, adopted in 1982, the coastal States have specific rights and jurisdiction for exploiting and exploring the mineral wealth. By virtue of that, we have got another eight lakh square kilometres, with the result, we have about 33 lakhs square kilometres of sea area for mineral exploitation. This is almost as much as the land area. During these years, we have not been properly exploiting, thereby we have deprived ourselves of very precious mineral wealth. As I said, this Resolution was passed in 1982, and, as the hon. Minister was saying, a Working Group was constituted in the year 1993; sometime later, in 1996, we accepted this, and then, in 2002, we are coming out with the legislation. I feel, Sir, that such an important legislation should have been brought before Parliament much earlier. Sir, while supporting this Bill, I have few suggestions to make. One is: the intent and purpose of this Bill is to regulate and develop. It is not only development, but also regulation. Now, we have a vast coastline, and a large number of minerals are available in the sea. It would be very difficult for the Government to regulate it. It has got so many responsibilities. Therefore, a regulatory body should be in place. It should be a regulatory body consisting of professional people. There should not be any Governmental interference. A regulatory body is very essential for properly regulating the offshore exploration activities. This is my first suggestion.

There is a provision in this Bill for collecting royalty on the minerals. The rates of royalty on different minerals are different. There is also a provision for collecting fixed rent by the Government. As the hon. Member, Shri Prithviraj Chavan, said, the State Governments should also have a role in this. They are providing the infrastructure; they are providing various other facilities. Therefore, my suggestion is that, at least, 50 per cent of the royalty that is collected by the Central Government should be given to the State Governments. For eleven years, from 1986 to 1997, if my figures are correct, the Central Government had collected Rs.643 crores. It is a very meagre sum, compared to the potential. With the passage of this Bill, this amount could be increased and the Central Government should share this money with the State Governments.

Another area of concern is the welfare of the fishermen. If there is any increase in the mineral exploration activities in the coastal areas, it is likely to affect the livelihood of lakhs and lakhs of fishermen, whose only livelihood is fishing. Therefore, proper care must be taken. If the fishermen are affected, they must be properly rehabilitated and they must be given suitable compensation.

Another point is regarding environment. It is very important. Whenever we try to exploit the natural resources, we tend to forget the safety of environment, the importance of environment. My submission is that our enrichment should not be at the cost of environment. It is very important.

Another point is that there must be effective control and surveillance in the coastal area. I will give you an example. In the beach of Goa, one vessel called "Indian Princess" was grounded and it is lying there for almost two years. I read about it in the newspapers some time back, and no action is being taken to remove it from that area. This would severely affect our environment. We are passing laws. But if we do not control such things, what is going to happen? Therefore, my suggestion is that there must be proper control, supervision and surveillance on such matters. This kind of things would not only affect our environment, but also our mineral wealth. This is my submission.

The hon. Member, Shri Prithviraj Chavan, has mentioned about petroleum and oil exploration. It does not come under the purview of this Bill. That will be guided by a separate Act. What I am saying is that there must be some coordination and some synergy between these two Departments. They are exploring oil in the sea. During the process, sometimes, they may come across mineral wealth. Therefore, they must coordinate with the other Department so that we can have some benefits. With these words, I support the Bill.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): You have mentioned about the environment. The Minister of Environment and Forests is here. I hope he will note down what you have mentioned and do something about it. Shri Jibon Roy.

THE MINISTER OF ENVIRONMENT AND FORESTS (SHRI T.R. BAALU): Sir, I have already explained to him the problem personally.

SHRI JIBON ROY (West Bengal): Mr. Vice-Chairman, Sir, I welcome the move. But, I have very strong reservations on the formulation of the Bill, the way in which it is brought. The point is that you can't afford to go on exploring the seabed and exploiting the minerals. Nobody can afford it. The Bill should be a well-guarded one from all directions. I have introduced some amendments, there are suggestions made by Mr. Prithviraj Chavan and my distinguished friend Mr. Prabhakar Reddy. I would request the Government to accept the amendments so that the Bill can be passed unanimously.

I have observed that three basic areas are not taken care of, not viewed in depth. First is the security aspect though it has been claimed to have been taken care of. Second is the environmental aspect. Third is the interest of the State Governments. These three basic aspects are not dealt with seriously. Basically, I am opposed to open the territorial water, sea-beds of the territorial waters either to the private or the multinational companies, considering our security and our relationship with the neighbouring countries for the time being. You know that a new incarnation of dinosaurs has taken place in the world. These dinosaurs not only eat vegetables but also the economy of the third world nations and their politics. They can enter in any country, in any way. You have agreed in your Bill that, in some sectors, no multi-national company will be allowed in the exploration and exploitation. But they can enter. In many areas, within the domestic economy also, from our airport to everywhere, multi-national companies are not allowed; but they are entering, they are entering in their own ways and they are making acquisitions. But the moment you allow them to explore the sea-beds, the terrirorial waters, our security will be in serious danger, given the situation prevailing in the country. You are to take care of that thing.

You are allowing them to explore everything except Hydrocarbons, even the inputs of the atomic energy. Where is the safeguard that they will give all the information to you? What is the safeguard that nothing will go wihout your knowledge, nothing will be exported without your knowledge? This provision is also not there in the Bill. The modus-operandi of the selling when the materials will be raised from the sea-beds is also not mentioned in the Bill. Therefore, I oppose it. I still think that it should be

left to the public sector or any Government corporation so far as territorial water is concerned. It is for you to decide. But I make my suggestion that we should not allow. In some provision, it is mentioned, that if some official or employee passes on information - secret information or classified information - to other places, then he will be punished. But what about the companies? Those companies will be passing on the secret information or classified information to the foreign countries. Therefore, I must say, that you are making exercises in a risky zone and you are to take note of it.

Second point is that in the sea water, there are fish and other species. Sufficient quantity is not there and environmental permission is required. Provisions regarding when the licence will be given and what should be the environmental compulsion to them, are not there in the Bill, though, while introducing the Bill, you have said that they are there. But, I feel, you know that the private companies, multi-national companies make money from the mud also. They will do it and while doing it, not only the income and the security of the fisherman will be jeopardised, but the security of the marine life will be in danger. That protection has not been taken care of.

Third thing is that the Bill has forgotten that ours is a federal country and the States are dependent on the sharing of the taxes and royalties. Already the condition of the States is serious and their economic condition, their financial condition is in jeopardy. And here is the Bill by which you have reserved all the rights, and all the royalty, all the money, will go to you and will not be shared. I had mentioned this point in a meeting of the Standing Committee. Here also I have moved an amendment. I would request you to make a provision in the Bill that when you issue licences, you will have consultations with the State Government because there is no mention of the State Government in the Bill. Are you moving towards a centralised regime? Your mind-set has been reflected in the Bill. You will be exploiting mineral resources in the territorial waters, but you will not be discussing anything with the State Government about their desire, about their programme and about the question of royalty! Therefore, to uphold the federal character of the nation and of the Constitution, there must be some provision in the Bill in this regard. I would request the Minister to assure us that when they issue licences, they would discuss it with the State Government. With these words, I conclude. I request the hon. Minister to accept my amendment which I have moved. Thank you.

PROF. M. SANKARALINGAM (Tamil Nadu): Mr. Vice-Chairman, Sir, while supporting the Bill, I would like to raise two-three important issues relating to this Bill. Our country has been gifted with a very long coastline of 8040 kilometres extending from Goa to Kanyakumari in the West, and from Kanyakumari to Kolkata in the East. It is a very rich area, full of minerals and other valuable foods, fishes, prawns and so on. Now the Government has come forward with a legislation to utilise the mineral wealth in the territorial waters. Of course, the wealth of every country is determined by the extend of mineral resources available in the country. our country is full of rich minerals. If you go to the southern area, you can see valuable minerals glittering along with the sand in different colours. Three-hundred-fifty years ago the East India Company established the Rare Earth Company at Manavalakurichy which is still working very well. Then at Chavara in Kerala, there is another big factory of the Rare Earth Company which is working very well. In Orissa also there is one factory. All these factories come under the public sector. These factories which were started by the East India Company are now under the Department of Atomic Energy, Government of India. In the Rare Earth Company in my district Manavalakurichy, there are 600 workers and thousands of fishermen are engaged as part-time workers to collect sand on contract basis. They are earning good profit and the mineral resources are being utilised properly. After this Bill is passed, the private enterprises will have an opportunity to enter into this business. Here I have strong reservation:. The coast is very important, considering the defence of the country, considering that crores of people live around this area, considering that fish is the major source of food for the people who live in that area. Therefore, we must be very careful. We should adopt a cautious approach. There should be some mechanism in the Bill to protect the interest of these people.

Thorium, monazite, ilimenite, rutile , zircon are available in plenty the Western Coast as well as in the Eastern Coast. So, these should be utilised and we should encourage the people to utilise all these minerals. But, it should be in the public sector; that is my firm view. When you open it to the private sector, it will create so many problems and that too when the shareholders are foreigners. That will be detrimental to our safety also. In this connection, I also want to bring to your knowledge the recent judgement of the Supreme Court by the then hon. Chief Justice of India, Shri B.N. Kirpal, who, on his last day in office, banned any private concerns in the mining sector. You see, the Government of Delhi approached the

High Court and then Supreme Court to ban mining activity in the Aravalli Hills, near Delhi which harmed the supply of drinking water. So, Shri B.N. Kirpal, on his last day in office, justified the concern of the Delhi Government and said that the involvement of private firms in mining activity is not good, since they have interest in making profits. This was the judgement - I quote:

> "We prohibit and ban all mining activity in the entire Aravalli Hills. The ban is not limited to hills encircling water to Alampur villages, but extends to the entire hill range of Aravalli from Haryana to Rajasthan."

Many of our hon. Members here said that the State's share in the royalty will be affected. It has appeared in the newspapers that Haryana Government is going to contest the case before the court because they are losing Rs.50 lakhs every day. So, opening the private sector is very dangerous, especially in this field. With these words, I conclude.

SHRI N.K. PREMACHANDRAN (Kerala) : You support or oppose the Bill?

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Shrimati Indiraji. You have four minutes.

SHRIMATI S.G. INDIRA (Tamil Nadu): Thank you, Sir, for giving me this opportunity. Sir, I welcome the Bill wholeheartedly. Anyway, I have some clarifications and suggestions. The Mines and Minerals (Development and Regulations) Act was enacted in 1957 to regularise the lands, but the ocean was not covered under this legislation. This is the first initiative from the Government, which should have been done much earlier. For the development and regulations of mines and minerals of off-shore area, this enactment is very much essential. Sir, I have some suggestions and clarification regarding Clause 7 - Termination of Operating Right. It was not mentioned clearly. I would like to make some suggestions. What makes the Government to consult the administering authority for the termination of licence when it receives complaint from any public, private or anybody else? And, also, it has not been mentioned clearly whether the Government is always having any watching committee or administering authority which always keeps eye on the licence-holder. It should be mentioned clearly.

And, Section 7, clause 2, after the termination of operating right is made by the Government with the recommendation of the administering authority, where the licence-holder fails to commence operation within the period specified in Section 14 or discontinue the operation for continuous two years, but due to some reason, if the licence-holder may satisfy the administering authority, the Government may reconsider the matter. It was not mentioned here. But nothing has been mentioned here to state that the licence holder should inform the administering authority for his failure to commence the operation or to discontinue the operation. This should be clearly mentioned in the Bill.

Then, clause 9 (1) and (2) state about power to close areas. I would like to know on whose recommendation would the Government be closing the areas. This has not been mentioned clearly. And, there are several reasons mentioned other than 'for national security'. But even these reasons, which have been specified, are not quite clear.

Then, clause 11 (1) states that the administering authority may grant a non-exclusive reconnaissance permit to any person eligible under Section 6 for grant of operating right. Now, an autonomous power has been given to the administering authority. But, it should be made clear that everything should be done in consultation with the Government.

Then, Sir, in clause 20 (1), it is mentioned that the holder of an operating right is liable for compensation if he/she pollutes or causes damage to the marine environment. But, it is not mentioned that the operating right would be terminated. This does also not figure in clause 7 which deals about 'termination'.

Then, clause 23 states that any permittee or licensee, who extends his area already fixed by the administering authority, without permission, shall also be punished. Then, I also feel that there are certain loopholes in the provision contained in clause 24 (1) which talks about offences by companies.

Then, clause 28 (1), which talks of civil liability, gives jurisdiction to the authorised officer to hear and decide the case against the licensee who contravenes the general terms and conditions. But the said officer should have legal knowledge; in fact, he should be a person with a strong legal background.

Sir, another point is that as per the Mines and Minerals (Development and Regulation) Act, 1957, 20 per cent of the pit-head value would be given as royalty to the nation, and the Act also says that every fourth year, this would be revised. It is the view of every hon. Member here that the royalty, so collected, should be shared with the respective State Governments.

Finally, I would say, as regards formation of Committee, as mentioned in the Bill, it should be done only in consultation with the Central Government.

With these words, I conclude

SHRI N.K. PREMACHANDRAN : Thank you, Mr. Vice-Chairman. Sir, at the outset, I strongly oppose the Offshore Areas Mineral (Development and Regulation) Bill, 2002. Sir, in the last session I have moved certain amendments to this Bill. But, unfortunately, I could not give fresh notice regarding the amendments, because of lack of knowledge. Therefore, those amendments are not on record. As per Rule 225 it is to be renewed when the House is prorogued. Therefore, I absolutely support the amendments which are being proposed by comrade, Jibon Roy. Sir, I am opposing this Bill because it would have far-reaching consequences in future. First of all, I would like to know from the hon. Minister, what are the main aims and objectives of this Bill? The aims and objectives of this Bill are vague, it is not at all clear; and it is not definite also. According to the Bill, it is very specifically stated, to provide for development and regulation of mineral resources in the territorial waters, continental shelf, exclusive zone, economic zone and other maritime zones of India. According to clause 3 of the Bill, this Act shall apply to all minerals in the offshore areas including any mineral prescribed by notification under clause (g) of sub-section (I) of section 2 of the Atomic Energy Act, 1962 except mineral oils and hydrocarbons related thereto. So, it has to be discussed elaborately, because according to clause 3, this Bill is intended for mining minerals in the offshore, which does not include the hydrocarbon and oil and other matters relating thereto. Then, what is the purpose of bringing forward this Bill? Because minerals, like Monazite, Ilmenite, Rutile, Zircon, Sillimanite and other minerals have to be exploited from the offshore. So, the very specific purpose according to the Bill is for the exploration of the minerals including the atomic energy, including atomic minerals which are being specifically

stated in clause (g) of sub-section (I) of section 2 of the Atomic Energy Act of 1962. Sir, we are having the Atomic Energy Act of 1962. And the exploitation of minerals is also being regulated by Mines and Minerals Regulation and Development Act of 1957 which has been mentioned by Shrimati Indira, just now. That Act is also there. And exploitation of the atomic minerals are being governed by these two Acts and some other Acts and rules which are also connected therewith. So, exploitation of these minerals on the offshore area is very costly. For offshore exploitation, offshore mining, a high technology is required, huge investment is required. It is very difficult. Sir, my humble submission before this House is, we are having ample minerals on the beach sand. Sir, I am coming from the State of Kerala particularly on the coastal stand of Quilon, which has been mentioned by Prof. Sankaralingam, that Chavara has the richest deposit of minerals in the world. The concentrate of Ilmenite, Titanium di-oxide is 60-65 per cent and this is a resource which can be described as the God's gift. It is there on the coastal shore of Quilon, Chavra upto Karunagapillai and a big controversy is going on regarding the mining privatisation. Regarding mining and mineral separation of Ilmenite a big controversy is going between the State of Kerala and the Rare Earth Ltd. That is another fact. At the same time, this Bill is being brought forward. I very reasonably suspect that this is a statutory mechanism to privatise the mining of beach sand minerals. Because if you are having an offshore technology to mine these minerals on the offshore, in the territorial waters or the continental shelf, then, a huge investment is required and these minerals are coming on to the shore also. When the waves are coming along with water, these minerals are coming to the beach in the form of sand. It is coming to the beach and getting accumulated and this is a natural wealth. When this is being exploited with the help of our technology, then, what is the meaning and what is the real intention of this Bill in exploiting these minerals on the offshore? Is it technically feasible? Is it economically viable? These should be looked into. That is why I suspect, I reasonably apprehend that this Bill would help the private companies and the multi-national companies indirectly in exploiting the minerals on the beach which come in the form of sand. That is my reasonable apprehension which I would like to make here. Secondly, there is a law called the Mines and Minerals Development Act, 1957. Very specific provisions have been made in that about the lease rights to be given. The right to give the mining lease was completely vested with the State Government. My question to the hon. Minister is: What is the opinion of the Government of India on this? As per the Act of 1957, in

respect of mineral lease to Ilmenite or Monazite or whatever it may be, the exclusive right to issue the mineral mining lease is with the State Government.

What does the present Bill say? According to this Bill, the mining lease, whether it is in the nature of a reconnaissance permit or exploration licence or production lease, would be awarded by the Administering Authority, which would be appointed by the Government of India. Then, what is the role of the State Government?

In the Atomic Energy Act, the Industrial Policy Resolution Policy, 1991, and subsequently the Policy on Beach-sand Minerals, 1998, in all these, the rights of the State Government, to issue a mining lease, is not taken away. Now it is taken away. Why is it so? This is against the federal principles also. Whether it is territorial waters or the continental shelf, whatever it may be, it would be within the perimeters of a State; the exploration work or whatever work, which would be executed, would be done using the infrastructure of the State concerned. When that is the case, is there any role for the State Government now? The State Government will have no role, as far as the issuance of the mining lease is concerned! Not only regarding the mining lease, but with regard to royalty also. The State Government would not get any royalty. In the existing policy regime, there is an equitable share of the royalty. Even in the exploitation of the beach-sand minerals also, the royalty is bestowed upon the State Government, because the State Government is issuing the mining lease. Therefore, the State Government is entitled to receive the royalty also.

According to this Bill, the State Government will have no royalty; as it has no right to issue the mining lease, it has no right to receive the royalty also. It is very clearly said in the recommendations of the Eleventh Finance Commission, regarding the mining of minerals and royalty, that the State concerned should adequately be given the royalty, or that should be enhanced. That is the recommendation of the Eleventh Finance Commission. But by way of this Bill, you are taking away the right of issuing the mining lease or licence to a particular company for mining operations. Not only that, the provision of the right to get the royalty is taken away under this Bill. That is why I am opposing this Bill.

I would like to mention some other points also. The minerals of monazite, ilmenite, rutile, silimenite, zircon and salliminate, are considered as strategic minerals. But I do agree with the argument that it is being liberalised. In 1991, by way of the Industrial Policy Resolution, selective entry of the private sector was allowed. Subsequently, under the policy on the Beach-Sand Minerals, 1998, even the private companies and the foreign companies can have equity participation up to 74%. On that policy change, too, I agree. I appreciate one thing: The Minister has excluded the foreign companies from this field by virtue of this Bill. According to clauses 5 and 6, any foreign company is not entitled to have these reconnaissance permit, exploration licence, and production lease. They are not entitled to have these. I appreciate the Minister and the Government on this count. They have kept the security of the country in mind, at least.

What is happening, as per the Beach-Sand Mineral Policy? As a result of all these things, as Mr. Sankaralingam pointed out, privatisation has started. As he points out, in Tamil Nadu, the privatisation practice has already begun. In Kerala also, such a move is underway. We are strongly opposing it, because the public sector undertakings - the Indian Rare Earths Limited and the Kerala Minerals and Metals Ltd. - which are the two PSUs doing pioneering work in the country, have the best technology in the world, with better productivity. These two establishments are being run with huge profits. Not only these, even in Orissa, a mineral separation plant is being run and that too is making wonderful profits. Manavalakurichy unit is also running on profit. But, Sir, it is very pitiable to say that now the Government of India has made a policy on the beach - sand...*(Interruptions)*... Sir, I am concluding. Now the Government of India has come out with a policy to privatise it. There is a very interesting point to be noted. Sir, the Indian Rare-Earths Ltd. is a monopoly concern. It has the best technology and all other things. Now a private company, which is based in Cochin, does not have the technology but is entering into a joint venture with IRE. An MoU has been signed. The MoU has been signed for what - it is not for the value addition products, it is not for diversification of the industry, but it is only to make the same product ilmenite from the mineral wealth and 1.05 lakh tonnes of ilmenite has been dumped in the godowns of IRE, Chavra and 1.50 lakh tonne of ilmenite has been dumped in Orissa. It has been dumped at the plant of Manavalakurichy also. There is no market for the ilmenite that we produce. At the same time, a public sector enterprise which is running in profit with a better productivity and good profit is being

made to enter into an agreement with a little known private company to produce the same product with the technology of that public sector undertaking and by using the market network of that public sector undertaking. Mere share of this private company is coming. Sir, definitely, it is a concern of the State and the country as a whole because of its thorium which is used in the preparation of nuclear bombs. Monozite and some other elements are also derived from it which are connected to it. As far as security of the country and the environmental aspects are concerned, they have to be looked into. Even now the people of the coastal area have an apprehension that this sea erosion, regular sea erosion is taking place because of this mining. Therefore, I am seeking clarification from the hon. Minister on the real intention of the Bill. In the beach sand mining all these minerals are very easily and richly available, which can be exploited in a very, very easy way throughout the country. With these observations, I oppose the Bill once again.

SHRI RAVI SHANKAR PRASAD (Bihar) : Sir, I am extremely grateful to the hon. Members for a very enlightening debate on this Bill. Except the caution of my friend, Premachandranji, there was a rare unanimity among all the sections of this House. All the hon. Members have supported this Bill. They have understood the need of this Bill. Some of the concerns which have been raised, Sir, I would like to respond to them. Sir, first Varmaji and other friends mentioned, 'why so late?' Sir, they have a point. I do concede. I would only remind them that even before we ratified the law of Sea Convention, we had come on the job. In the year 1993 itself, as I told you, we established the Working Group. Some of the concerns, which have been stated about security, about environment and fishing rights, enjoined upon us a very wide range of consultation. Therefore, for close to six years, we had consultations with as many as 11 Ministries - Defence, Environment and Forests, External Affairs, Atomic Energy, Animal Husbandry and others. Therefore, in the light of the wide ranging consultations which we had over the years, some delay can certainly be condoned and better late than never. Some fundamental questions were raised by Mr. Premachandran as to why this Bill, when MMDR Act is there. Sir, I need not remind the hon. Member that MMDR Act, 1957 covers the minerals on the ground. Therefore, it is a very specific Act dealing with the regulation, development and exploitation of minerals available on the ground. And that right is available to the State Governments. He need not bother about the minerals and mineral sand pertaining to beaches of the coastal States. It does not fall within the ambit

of this Bill. That would remain the property of the State Governments. Here, Sir, the whole objective of the Bill talks very specifically and let me just read it for a moment to clarify the position. It says, "to provide development and regulation of mineral resources in the territorial waters, continental shelf as well as the Exclusive Economic Zones." These three expressions are very important wherein regulation is required and they are beyond. Therefore, in the beginning, I talked about 12 nautical miles. Sir, I can only repeat that. I have very specifically stated as to what is the meaning of the continental shelf and what the mining of the Exclusive Zones is. What is the meaning of the Exclusive Economic Zone? And, what is the meaning of territorial waters - 12 nautical miles, 24 nautical miles and 200 nautical miles? Therefore, I would request Mr. Premachandran not at all to be concerned, as far as the rights of the State Government for mineral sand or any other mineral available on the ground are concerned. This Bill does not encroach upon that.

It has been mentioned that there will be an overlapping of the Petroleum Act. Sir, the Petroleum Act is separate. There is a separate mechanism for that. We do not come under that. And, it does not come in our way. Therefore, there is no possibility of any overlapping. I wish to assure the hon. Members that the rules are yet to be framed. Many of the concerns expressed today would be embodied in the rules which will be extensive. And, even at the time of framing of rules, we would, certainly, hold a wide-range of consultations so that all concerns are suitably addressed. Now, I come to specific nature of objections raised. They are, basically, three. The first one is the national security. The second one is environmental concern. And the third one is the fishing rights. These three are the concerns expressed by the hon. Members. Before I develop on these points, may I say that this is the only kind of legislation wherein we have arrogated to ourselves certain extraordinary rights because of the very sensitive nature of the areas that this Bill cover. What is that? We have arrogated to ourselves the power for a premature termination. We have given to ourselves the power to close the mining area itself. With your kind permission, I would like to read two clauses which Smt. Indira indicated. This is about the Termination of Operation Right. I am reading clause 7 of the Bill. It says, "Where the Central Government, after consultation with the administering authority, is of the opinion that it is expedient in the interest of development and regulation of offshore mineral resources, preservation of natural environment and prevention of pollution, avoidance of danger to

public health or communication, ensuring safety of any offshore structure....the Central Government may prematurely terminate any operation...." This is not there in the MMDR Act, 1957. It is a new power that we provided to ourselves. Secondly, clause 9 deals with power to close areas. Even after granting the concession, we can close a particular area by saying because of the possible danger that we are experiencing, in this particular area, we are closing it. These two careful measures we have taken.

Sir, Mr. Premachandran has talked about the atomic energy and all that. His concerns are also suitably addressed in the Bill itself. Sir, may I read clause 5, which deals with the Power of Concession? It says, "Provided that nothing in this sub-section shall apply to any reconnaissance operation or exploration operation undertaken by the Geological Survey of India, Atomic Minerals Directorate of Exploration and Research, the Chief Hydrographer to the Government of India of Naval Hydrographic Office of the Indian Navy...." Therefore, these are the exceptions carved out; whereunder, whether it is atomic energy, whether it is ocean development, whether it is Naval Hydrography, GSI, etc., all have been given a complete exception that their activity shall be an exception to this particular provision. Sir, now, my very esteemed, hon. friend, Smt. Indira, talked about the penalty - the civil liability. I wish to assure her that some of her concerns, which she expressed, would find response in the rules. Kindly wait for the rules to be framed. Whether it is civil liability or the criminal liability, these are all described in the rules. Therefore, rules will explain all these. But, Sir, kindly see the kind of heavy penalty we have proposed. There is a provision that in case there is a violation of general terms of condition, the minimum penalty is Rs. 10 lakhs and the same may be increased to Rs. 1 crore. Kindly see the range. This kind of penalty is unheard of. Secondly, in the case of specific violation, in terms of license, the penalty would be Rs. 5 lakhs and the imprisonment is for five years. Therefore, we have taken the maximum precaution that is needed.

Now, it was stated as to what is the hidden agenda behind this Bill. I wish to assure Shri Premachandran that there is no hidden agenda. It is absolutely transparent. It is absolutely clear. It has been brought forth here after the widest possible consultations. Yes. We have taken care to ensure that multinationals do not have any entry. Sir, to make these provisions applicable, a person has to be an Indian and it has to be a

company registered under the Companies Act, with other adequate safeguards. Therefore, we have taken the maximum possible safeguards to ensure that nothing goes wrong. Why are we going in for this? Again, I come to the question of Mr. Premachandran, raised by him in the very beginning. The brilliant scientists of the Marine Wing of the Geological Survey of India; whom I wish to salute today, have over the years, with their great exploration, identified these wonderful minerals, pertaining to our coastal areas, which are lying in the seabed. Now, we note that all the Members, cutting across the party lines, recognise that there is a great potential for exploitation of these minerals. Therefore, we are doing it. But they are very costly. Exploitation of these minerals, from beneath the sea-bed, is a very costly proposition. Therefore, we have to ensure that we have a mechanism, whereunder investment comes out with due safeguards. We have, therefore, taken all those cares.

Mr. Chavan mentioned about the Regulator. 'I do understand his concern. As of now, the Comptroller General of the Indian Bureau of Mines shall be the Regulator. He is a statutory authority. All the mining plans are sanctioned by him. He has a wide-ranging office at his disposal. Therefore, he would certainly be there. We will also, with experience, see as to how some of the concerns, addressed by you, can suitably be satisfied.

Now, Sir, I come to the last point, that is, the rights of the State Governments. I do appreciate the concern raised by Shri Jibonbabu, Mr. Reddy and Smt. Indiraji. That is certainly there. But, today, there was a very interesting thing. A large number of Members, who spoke today, were lawyers. Therefore, I do understand their legal background as well; and, their legal background would certainly indicate to them that Article 297 of the Constitution which came into being in the year 1976, - who was in power, then, I need not say - clearly says that all the mineral resources, beneath the sea-bed, belong to the Government of India. Therefore, if you want any sharing, first of all, you will have to have an amendment. That is the point, I am trying to make. The State minerals are the property of the State Governments. We welcome that. In fact, one of the major initiatives that we have taken in the Government of India, after we came to power, is to decentralise the mineral regime in a way that maximum powers go to the State Governments. Permits, leasing, time-framing, in respect of all that we have done it. But as far as these minerals, under the sea-bed, are concerned, that is a right, which, under the Constitution, is available to the

Government of India. Therefore, so long as Article 297 exists, it will not be possible for any sharing of royalty, or other part. However, when you talk about the fishing rights, let me clarify that fishing is not done very deep. It is done at the most at 10-20 feet depth. Mineral resources are 100 feet, 1000 feet, deep and so on. But, even otherwise, we have ensured that whenever any particular block is to be given, it shall done only after consultations with the Department of Animal Husbandry and the Department of Fisheries. Therefore, that consultation process would be there. ...(*Interruptions*)... It will come in the rules. Therefore, Sir, whenever we consult the Department of Animal Husbandry of the Government of India, I am sure, they would have the feedback from the State Governments as well. Therefore, the process of consultation will certainly go on. But, as far as sharing of royalty is concerned...(*Interruptions*)... I have already told you that when we would consult the Ministry of Environment, Mr. Baalu is here, it has got the inputs from the State Governments. When we consult the Department of Fisheries and the Department of Animal Husbandry, they do have the inputs from the State Governments. ...(*Interruptions*)...

SHRI JIBON ROY: Therefore, it would be in the wisdom of the Government in power.

SHRI RAVI SHANKAR PRASAD: No; no. Sir, I would request the hon. Member that this being a Bill futuristic in nature, let us allow it to come into being; let the rules be framed; let investments come about. I don't agree with some of the Members who ask how investments will come. I wish to inform Mr. Chavan that I have been the Minister of Mines and Coals for the last one year. A large number of people have made queries as to when this Bill is going to come about. They are Indian, having experience. Therefore, we trust that this particular opening up would bring in good investment. We shall make due safeguards. With these words, Sir, I commend that the Bill be passed.

SHRI PRANAB MUKHERJEE (West Bengal) : Sir, I would like to make an observation during the Third Reading, not now.

SHRI N.K. PREMACHANDARAN: Sir, I would like to seek one clarification. My main apprehension is that the beach sand mineral deposits are being taken away by the offshore exploitation. This has been coming

from beneath the sea to the seashore. That can easily be exploited from the seashore by using the present technology. Therefore, my specific question is, why we should go to sea - bed to exploit minerals? And, if that is being done, definitely, the rich deposits on the seashore will be diminished. That is my apprehension.

SHRI RAVI SHANKAR PRASAD: In spite of being a Leftist, he talked of God's gift, in his initial argument. I wish to say that God has given us enough beneath the sea and also on the ground. Please have patience; God's gift on the ground will not be dislocated by exploration under the sea.

THE VICE - CHAIRMAN (SHRI SANTOSH BAGRODIA): Now, the question is:

> "That the Bill to provide for development and regulation of mineral resources in the territorial waters, continental shelf, exclusive economic zone and other maritime zones of India and to provide for matters connected therewith or incidental thereto, as passed by Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE - CHAIRMAN (SHRI SANTOSH BAGRODIA): Now, we shall take up the clause-by-clause consideration of the Bill.

Clauses 2 to 4 were added to the Bill.

THE VICE - CHAIRMAN (SHRI SANTOSH BAGRODIA): Clause 5. There are three amendments, by Shri Jibon Roy.

CLAUSE 5 - (*Reconnaisance, exploration or production to be under permit, licence or lease.*)

SHRI JIBON ROY: Sir, I move:

(1) That at page 3, line 15, after the word "person" the word "or company" be inserted.

(2) That at page 3, line 27, for the words "all data" the words "monthly report, all data" be substituted.

(3) That at page 4, after line 14, the following be inserted, namely:-

"(4) No operating right shall be granted before obtaining due no-objection from the Ministries of Defence and Environment and Forests."

The questions were proposed.

THE VICE - CHAIRMAN (SHRI SANTOSH BAGRODIA): Now, I put the amendment Nos. 1, 2 and 3 to vote.

The Amendments No. 1, 2 and 3, were negatived.
Clause 5 was added to the Bill.

THE VICE - CHAIRMAN (SHRI SANTOSH BAGRODIA): Clause 6. There are four amendments by Shri Jibon Roy.

Clause -6 (*Grant of operating rights*)

SHRI JIBON ROY: Sir, I move:

(4) That at page 4, line 22, after the word and figure "Act, 1956" the words "having no foreign partner, collaborator in whatever name it may be" be inserted.

(5) That at page 4, lines 19 and 20, for the words "person unless such person" the words "private person or company unless" be substituted.

(6) That at page 4, for lines 21-22, the following be substituted, namely :-

"(a) is a Government Department or a public sector company or corporation owned by State or Central Government and;"

(7) That at page 4, *after* line 23, the following be *inserted*, namely:-

"(c) discusses with the concerned State Government the question of feasibility, security and royalty."

The questions were proposed.

THE VICE - CHAIRMAN (SHRI SANTOSH BAGRODIA): Now, I put the amendments No. 4, 5, 6 and 7, to vote.

The Amendments No. 4, 5, 6 and 7, were negatived
Clause 6 was added to the Bill.
Clauses 7 and 8 were added to the Bill.

THE VICE - CHAIRMAN (SHRI SANTOSH BAGRODIA): Clause 9. There is one amendment, by Shri Jibon Roy. The hon. Member is absent.

Clause 9 was added to the Bill.

Clauses 10 to 19 were added to the Bill.

THE VICE - CHAIRMAN (SHRI SANTOSH BAGRODIA): Clause 20. There is one amendment, by Shri Jibon Roy. The hon. Member is absent.

Clause 20 was added to the Bill.
Clauses 21 to 38 were added to the Bill.
The first Schedule and the second Schedule were added to the Bill.
Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI RAVI SHANKAR PRASAD: Sir, I move:

"That the Bill be passed."
The question was proposed.

SHRI PRANAB MUKHERJEE (West Bengal) : Sir, I want to seek one clarification from the hon. Minister. While replying to the debate, he correctly pointed out that Article 297, especially, clause 1 was inserted after the Fortieth Amendment, in 1976, whereby all the rights were vested in the Union Government, and the State Government did not have any share. I would like to know from the hon. Minister whether, considering the changed situation, he is prepared to amend this article and vest this power in the State Governments or not. Because, after 1976, in 1978, the Fortieth amendment was radically changed by the Forty-second and the Forty-fourth

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amendments. At that time, why did those who contemplated a large number of amendments, radically changing the Fortieth Amendment, did not consider amending Clauses (1) and (2) of article 297? Now, in the changed situation, if the hon. Minister considers that the amendment is called for, on behalf of my party, I would like to give an assurance that we are prepared to examine this. Please do consider it and make the necessary amendments.

SHRI RAVI SHANKAR PRASAD : Pranabbabu may kindly recall that the entire matter was referred to the Constitution Review Committee headed by Justice Venkatachalaiah. No such recommendation was made by that Committee. But, if there has to be an amendment, it has to have the consensus of the House. The position is well known.

SHRI PRANAB MUKHERJEE : But, here, the point is a little different, Mr. Minister. You said, "I would not like to mention who was in power at that point of time, that is, in 1976." We were in power in 1976. I was also a Minister. I was also a contributor to the amendment of this article. Therefore, in the changed situation, when you are in the Government - Congress is in power in 14 States, perhaps, with Gujarat, 15 States- I will accept your amendment. I cannot move an official Motion. You can do it. I am asking whether you are prepared or not.

SHRI RAVI SHANKAR PRASAD : Sir, I would like to make it clear that I had not Pranabbabu individually in mind. I only put forth the position of facts. In case of consensus...

SHRI PRANAB MUKHERJEE : It is not a fact as to who was in Government in 1976. It is an inference.

SHRI RAVI SHANKAR PRASAD : Sir, on such matters, the Government is open to accept any suggestion like this.

THE VICE CHAIRMAN (SHRI SANTOSH BAGRODIA): Now, the question is:

"That the Bill be passed"
The motion was adopted.